



UNFI Releases FY2001 Q3 Results

June 5, 2001

Reports \$0.22 Net Income Per Share Before Special Charges

Dayville, Connecticut – June 5, 2001 -- United Natural Foods, Inc. (Nasdaq: UNFI) today announced that earnings for the third quarter of fiscal 2001, ending April 30, 2001, were in line with the Company's recent guidance.

Net sales for the third quarter of fiscal 2001 totaled \$258.5 million, a 12.8% increase over the \$229.2 million reported in the third quarter of fiscal 2000, slightly above the Company's guidance of 7 – 11% sales growth. This increase was primarily attributable to increased sales throughout all divisions and distribution channels including super naturals, independents and mass market. Net sales for the nine months ended April 30, 2001 were \$747.1 million, a 10.0% increase over the \$679.0 million reported in the comparable prior year period.

Net income for the third quarter of fiscal 2001, excluding the effect of special charges, was \$4.1 million, or \$0.22 per diluted share. Special charges included \$0.4 million, net of tax, of costs related to the expansion of the Company's New Oxford, PA distribution facility, \$0.2 million, net of tax, of Statement of Financial Accounting Standards No. 133 (FAS 133), "Accounting for Derivative Instruments and Hedging Activities" expense, and \$0.2 million, net of tax, of asset impairment charges, primarily goodwill, associated with closing an unprofitable retail store. FAS 133 requires recognition in the financial statements of the change in fair value during the quarter of certain interest rate protection contracts and other derivatives. The Company recorded FAS 133 expense on its interest rate swap agreement resulting from the significant decline in interest rates during the quarter. Net income for the third quarter of fiscal 2000 was \$2.0 million, or \$0.11 per diluted share, excluding the impact of the closure of the Company's Chicago facility of approximately \$0.2 million, net of tax. Net income including special charges was \$3.3 million, or \$0.17 per diluted share, for the third quarter of 2001, and \$1.8 million, or \$0.10 per diluted share, for the third quarter of fiscal 2000.

Net income for the nine months ended April 30, 2001, excluding special charges, was \$10.1 million, or \$0.54 per diluted share. The special charges included those noted above in the third quarter of fiscal 2001 and approximately \$0.1 million, net of tax, of moving costs recorded in the second quarter of fiscal 2001 related to the expansion of the Company's New Oxford, PA distribution facility. The Company incurred a net loss per share of (\$0.19) for the nine months ended April 30, 2000, excluding the impact of the closure of the Company's Chicago facility. Net income including special charges was \$9.2 million, or \$0.49 per diluted share, for the nine months ended April 30, 2001. The Company incurred a net loss of (\$0.21) per share, including special charges, for the comparable period in fiscal year 2000.

Commenting on the Company's financial results, Michael Funk, United Natural Foods Chief Executive Officer, said, "It was a strong quarter for the Company as demonstrated by our solid growth in net sales, net income and net income per share. We continue to execute upon our business plan and we remain confident that United Natural Foods can continue this momentum through the 2001 fourth quarter and into fiscal 2002. Based on current market conditions we remain comfortable with our previous estimate of \$0.22 - \$0.25 per share for the 2001 fourth quarter. Looking forward we are currently estimating that top line growth, through fiscal 2002, will be 8% to 12% and are currently projecting net income for fiscal 2002 to be approximately \$1.02 - \$1.06 per share."

Conference Call

Management will conduct a conference call and audio webcast at 11:00 a.m. ET on June 5, 2001 to review the Company's quarterly results, market trends and future outlook. The conference call dial-in number is 703-871-3021. The audio webcast will be available, on a listen only basis, via the Internet at <http://www.viaid.com>. Please allow extra time to the webcast to visit the site and download any software required to listen to the Internet broadcast. The online archive of the webcast will be available for 30 days.

About United Natural Foods

United Natural Foods, Inc. carries over 30,000 products to more than 7,000 customers in 50 states. The Company serves a wide variety of retail formats including conventional supermarket chains, natural product superstores and independent retail operators.

Financial Tables Follow

For more information on United Natural Foods, Inc., via fax at no charge, please dial 1-800-PRO-INFO and enter the Company's ticker symbol, UNFI. Or, visit the Company's web-site at www.unfi.com.

AT THE COMPANY: AT THE FINANCIAL RELATIONS BOARD:

Thomas Simone	Joseph Calabrese	Vanessa Schwartz
Chairman of the Board	General Information	Analyst Information
(707) 537-9872	(212) 445-8434	(212) 445-8433

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Statements in this press release regarding United Natural's business which are not historical facts are "forward-looking statements" that involve risks and uncertainties. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, including but not limited to general business conditions, the impact of competition and our dependence on principal customers, see "Risk Factors" in the Company's annual report on Form 10-Q filed with the Commission on December 15, 2000, and its other filings under the Securities Exchange Act of 1934, as amended. Any

forward-looking statements are made pursuant to the Private Securities Litigation Reform Act of 1995 and, as such, speak only as of the date made. United Natural is not undertaking to update any information in the foregoing reports until the effective date of its future reports required by applicable laws.

[Supplementary Financial Tables](#)